made in this report can be divided broadly into three groups as under:—

1. On pricing of petrol and diesel:

(i) Shift to a trade parity pricing formula for determining refinery gate as well as retail prices; (ii) Government to keep at arms length from price determination and to allow flexibility to oil companies to fix the retail price under the proposed formula; and (iii) Reduce effective protection by lowering the customs duty on petrol and diesel to 7.5%.

2. On pricing of domestic LPG and PDS kerosene:

(i) Restrict subsidized kerosene to BPL families only; (ii) Raise the price of domestic LPG by Rs. 75/cylinder; (iii) Discontinue the practice of asking upstream companies to provide upstream assistance, but instead collect their contribution by raising the OIDB cess from the present level of Rs. 1,800/MT to Rs. 4,800/MT; and (iv) Government meeting the balance cost of subsidy from the budget.

3. On restructuring excise duties:

Shift from the present mix of specific and *ad volorem* to a pure specific levy and calibrating the levies at Rs. 5.00/litre of diesel and Rs. 14.75/litre of petrol.

The Committee has recommended that each of the first two sets of recommendations should be implemented as integrated packages.

The report of the Committee is being examined by Government.

Composition of Rangarajan Committee

†256. SHRI MOTILAL VORA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government have constituted a committee for making a comprehensive policy pertaining to prices of petroleum products and taxes;

(b) if so, what is the purview of the Committee and the names of its members; and

(c) by when, Committee will submit its report?

† Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) Yes, Sir. In order to formulate a long term pricing policy for petroleum products; the Government constituted an Inter-Ministerial Committee under the Chairmanship of Dr. C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister.

The Committee was mandated to look into various aspects of pricing and taxation of petroleum products with a view to stabilizing/rationalizing their prices, keeping in view the financial position of the oil companies, the investment needed in the sector, the need to conserve petroleum products, and establishing a transparent mechanism for the autonomous adjustment of prices by the oil companies. Taking into consideration the interests of all stakeholders concerned, the Committee was to suggest a comprehensive mechanism for pricing and taxation of sensitive petroleum products, and other allied issues. The composition of the Committee is given in the enclosed Statement (*See* below). The Committee submitted its report to the Government on 17.2.2006.

Statement

The composition of the Inter-Ministerial Committee is as follows:

(i)	Dr. C. Rangarajan, Chairman, Economic Advidory Council to the Prime Minister	Chairman
(ii)	Dr. Kirit S. Parikh, Member, Planning Commission	Member
(iii)	Secretary, Ministry of Petroleum and Natural Gas	Member
(iv)	Dr. Ashok Lahiri, Chief Economic Adviser, Ministry of Finance	Member
(v)	Shri Saumitra Chaudhuri, Chief Economist, ICRA, New Delhi.	Member
(vi)	Prof. B.H. Dholakia, Director, IIM, Ahmedabad	Member

Illegal storage of LPG

†257. SHRIMATI KUM KUM RAI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

† Original notice of the question was received in Hindi.